

Invest for Impact Nepal is a platform dedicated to connecting Development Finance Institutions with high-impact investment opportunities in Nepal through Financial Institutions and Private Equity Funds.

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DFI delegation visit to Nepal

Representatives of Eight Development Finance Institutions were in Nepal for a three-day collective visit to Nepal to explore how best to drive DFI investment in the country to enhance productivity, generate jobs, and support an inclusive economy. The three-day visit, the first of its kind to Nepal, held between 18-20 April was organised by Invest for Impact Nepal. During the visit, the DFI delegates interacted with representatives from Nepalese commercial banks that have DFI investments and those interested in DFI investment. The delegates were also provided with briefings on Nepal's economic and development outlook and financial sector regulations. Representatives from the DFI delegation shared with commercial bank representatives what "being investment ready" meant. Similarly, DFI investees also shared their experiences with DFI investments and their ESG journey. DFI delegates also had the opportunity to hear from officials of Nepal's Central Bank, the Securities Board of Nepal, and the Ministry of Finance.

As part of exploring investment opportunities beyond the traditional banking sector, the

visiting DFI delegation also held discussions with representatives of private equity funds and the Nepal Private Equity Association. NPEA representatives gave an overview of the growth and landscape of the PEVC sector and experiences and learning from investing in SMEs. To foster networking and collaboration between ecosystem stakeholders, a networking event was organised, bringing together DFIs, regulators, representatives from the banking sector, and development partners.

"IIN has played a critical role in bringing the DFI community together. I think this is the first time I have seen information collated in a legible format and provided to DFIs. Also, it has done a great job with ESG and ESM training for the banks and getting the banks' investment ready. And putting across the requirements of DFIs, acting as a conduit to channel the voices to the ground. I do see a future path for IIN as well, I think there's a lot that can be done in Nepal as regards to responsible lending that could bring about better standards for the banking system. And I think it's a platform that could be replicated elsewhere in the region. I do believe IIN will play a key role in providing comfort to investors, not just DFIs but all of private investors"- Ms. Nikunj Oli- Unit Head, Private Sector Financial Institutions (South Asia), Asian Development Bank (ADB)



IIN's partnership with Class A Banks

IIN entered into the first of three partnerships with Class A Banks to help strengthen their environmental, social, and governance performance standards and establish international standard ESMS. The three partnerships are with Prabhu Bank Limited,

Laxmi Bank Limited, and Siddhartha Bank Limited. The collaboration with the three banks is aimed at supporting their journey in sustainable finance, and unlocking their ability to become investment ready to attract DFI and other foreign capital.



ESG international certified course - IIN and Nepal Bankers' Association partnership

Nepal Bankers' Association (NBA) and Invest for Impact Nepal are to collaborate to introduce country's first certified course on environmental, social, and governance (ESG) for professionals in Nepal's financial services industry. The ESG-certified course will be conducted by one of Europe's leading training institutions in this space, the UPF Barcelona School of Management. The course will help develop human resources to support the financial sector's demand for ESG expertise.

Khalti and Invest for Impact Nepal

Khalti Private Limited and Invest for Impact Nepal have partnered to engage in strategic advisory services. Under the partnership between two entities, IIN will provide strategic advisory support to Khalti for its next phase of growth in-building an inclusive digitalized economy. The partnership also includes collaboration to conduct a landscape study of digital financial service industry and identify key policy barriers affecting its growth.



IIN's partnership with Private Equity firms

IIN has partnered with WLC Ventures (Business Oxygen), One to Watch, and Team Ventures to support the launch of their second funds. IIN's partnership with each of the PEVC funds lays out the framework for collaboration to solicit bespoke technical assistance to support the three fund managers for raising capital for their new funds.



IIN's partnership with Dolma Consulting and CBFIN



Invest for Impact Nepal, the Confederation of Banks and Financial Institutions Nepal (CBFIN) and Dolma Consulting Private Limited signed a tripartite agreement on July 6, 2023 to conduct environment, social, and governance (ESG) strengthening activities. The three entities will be collaborating to conduct research and improve management practices of ESG in the financial sector. The tripartite agreement signed by CBFIN Chairman Pawan Golyan, Dolma Consulting Managing Director Joseph Silvanus, and IIN CEO Bibek Shrestha will include activities related to the protection of the environment, waste management, and emission, adherence to environmental laws, social transformation and responsibilities, gender equity and inclusion and security of investors. The partnership is aimed at promoting ESG and sustainability activities in the financial service industry in Nepal.

FDI regulation in Financial Institutions

IIN has published a policy brief on debt financing, equity investment, and taxation to aid foreign and DFI investment. The brief highlights provisions that need further clarification and review of existing regulations that are ambiguous to facilitate foreign investments. The policy brief includes key regulatory provisions for debt financing, equity financing, and taxation.



Deal Structuring and Instruments training for PEVC professionals

Invest for Impact Nepal and Nepal Private Equity Association jointly organised a two-day residential training on "Deal Structuring and Instruments" in Kathmandu. The training was conducted by Training the Street, a corporate finance and investment banking trainer for Wall Street firms. The training was aimed at building the capacity and expertise of investment professionals in the Nepalese private equity and venture capital (PEVC) industry. The training was participated by 27 participants from 16 private equity funds.

"Excellent course along with experienced trainer at the high time of need. Well appreciated. Suggest continuing such program/workshop in future as well"- Participant trainee



Dialogue to promote Private Equity and Venture Capital funds

Invest for Impact Nepal in collaboration with Nepal Private Equity Association and USAID Trade and Competitiveness, organised a policy dialogue titled "Promoting Private Equity and Venture Capital Funds in Nepal". Chaired by Siddhant Raj Pandey, Chairperson of NPEA, the dialogue centered on addressing regulatory and legal challenges faced by Private Equity Funds and bringing it to the attention of regulatory authorities' i.e. Nepal Rastra Bank (NRB), Securities Exchange Board of Nepal (SEBON), Office of Company Register (OCR), Department of Industry (DOI), and Inland Revenue Department (IRD). The representative members from five regulating authorities included,

1. Mr. Ramesh Hamal, Chairman, SEBON
2. Mr. Baburam Gautam, Director General, DOI
3. Mr. Mahesh Baral, Registrar, OCR
4. Mr. Raju Pyakurel, Director, IRD
5. Mr. Sarthak Karki, Deputy Director, NRB Unit of One Stop Service Centre

Participants included representatives from various private equity funds, both offshore and local, including FDI funds, onshore funds, and SIF funds.



Contact Us



Invest for Impact Nepal

Sanepa, Lalitpur Metropolitan City Ward No. 2,
Lalitpur, Nepal

✉ info@investforimpactnepal.com

📄 www.investforimpactnepal.com

🌐 www.linkedin.com/company/invest-for-impact-nepal/

🐦 www.twitter.com/Invest4Nepal

